CHR Solutions

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REDACTED – FOR PUBLIC INSPECTION

VIA ECFS

June 26, 2014

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, D.C. 20554

RE: REQUEST FOR CONFIDENTIAL TREATMENT – *Connect America Fund*, WC Docket No. 10-90; *Lifeline and Link Up Reform and Modernization,* WC Docket No. 11-42

Request that Information Submitted to the Commission be Withheld from Public Inspection Pursuant to 47 C.F.R. §0.459 and 5 U.S.C. §552(b)(4): Five-Year Service Quality Improvement Plan included in FCC Form 481

Confidential Financial Information – Subject to Protective Order in WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Before the Federal Communications Commission

Dear Ms. Dortch:

In accordance with the annual reporting requirements of 47 C.F.R. §§54.313 and 54.422, Lipan Telephone Company (the Company), Study Area Code 442105, is submitting a completed FCC Form 481 to the Commission via its Electronic Comment Filing System (ECFS) in WC Docket Nos. 10-90 and 11-42. The Company, by its authorized representative, hereby requests confidential treatment of two attachments to its FCC Form 481: (1) the five-year service quality improvement plan and (2) the financial annual report, both of which were redacted in the ECFS submission. The request for confidential treatment of the five-year plan is being made pursuant to section 0.459 of the Commission's rules and Exemption 4 of the Freedom of Information Act (FOIA). The request for confidential treatment of the financial annual report is being made pursuant to the FCC's November 16, 2012 *Protective Order* in WC Docket No. 10-90 *et al*. These attachments contain competitively sensitive data that Lipan Telephone Company maintains as confidential and does not normally make available to the public. Release of this information would have a substantial negative impact on the Company.

<u>Five-Year Service Quality Improvement Plan</u>
Pursuant to section 0.459 of the Commission's rules and Exemption 4 of FOIA, Lipan Telephone Company requests that the text and data extracted from its five-year service quality improvement plan be withheld from public inspection because it contains competitively sensitive commercial and financial information that the Company keeps confidential. Public availability of this information would have a substantial negative impact on the Company.

In accordance with section 0.459 of the Commission's rules, the following information is provided in support of this request:

(1) Identification of the specific information for which confidential treatment is sought:

Attachment to Line 112 of FCC Form 481 – Five-Year Service Quality Improvement Plan. Specifically, confidential treatment is sought for all information in the five-year plan related to the Company's access line counts, existing broadband capabilities, and its network investment plans through 2019 that will improve service quality for its customers.

(2) Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission:

The information was submitted in WC Docket Nos. 10-90 and 11-42 as an attachment to FCC Form 481- the Carrier Annual Reporting Data Collection Form. Section 100 of FCC Form 481 requires incumbent local exchange carriers receiving high cost support to attach a five-year service quality improvement plan, pursuant to 47 C.F.R. §§54.202(a)(1)(ii) and 54.313(a)(1).

(3) Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged:

The five-year service quality improvement plan contains granular information on the Company's access line counts and existing broadband capabilities as well as detailed plans for financial investments in its network through 2019 to improve service to subscribers. This is closely guarded, privileged information that the Company does not make publicly available.

(4) Explanation of the degree to which the information concerns a service that is subject to competition:

Broadband is subject to increasing competition in the areas served by rural, rate-of-return incumbent local exchange carriers (RLECs). Virtually all RLECs face competition from one or more wireless Internet service providers. Most RLECs also face competition from at least one other wireline broadband provider such as a larger cable company, who will typically seek to "cherry pick" the lower cost portions of the study area. In addition, all RLECs face competition throughout their territories from satellite broadband providers.

(5) Explanation of how disclosure of the information could result in substantial competitive harm:

Disclosure of the information contained in the five-year plan would provide competitors with detailed, granular information regarding the Company's access line count, its existing broadband capabilities, and its strategic plans for network investments. This would give competitors invaluable confidential information with which to develop their own strategies for investing in the service area, thereby bringing substantial competitive harm to the Company.

(6) Identification of any measures taken by the submitting party to prevent unauthorized disclosure:

The Company has continually treated the extracted information in its five-year plan as confidential and carefully controls the information to protect it from competitors. Access to the information is limited to employees that require it and to non-employees with confidentiality obligations such as lenders, consultants, auditors, and attorneys. In addition, when such information is required to be submitted to a state regulatory authority it has been filed as confidential information, not available to the public.

(7) Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties:

The redacted information in the five-year plan is not available to the public, and third party access is limited as described in (6) above.

(8) Justification of the period during which the submitting party asserts that material should not be available for public disclosure:

The Company requests that the extracted information be withheld from public inspection indefinitely. Although the information reflects the Company's service improvement plans for a five year period, it would provide a very useful baseline for competitors for several years beyond that period.

(9) Any other information that the party seeking confidential information treatment believes may be useful in assessing whether its request for confidentiality should be granted:

Exemption 4 of FOIA shields from public disclosure commercial or financial information obtained from a person that is privileged or confidential. Based on the responses provided above, the information in question satisfies this test.

Financial Annual Report

Section 3005 of FCC Form 481 requires a privately-held rate-of-return carrier receiving high cost support to attach a full and complete annual report of the Company's financial condition and operations pursuant to 47 C.F.R. §54.313(f)(2). Lipan Telephone Company seeks confidential treatment of its financial annual report pursuant to the November 16, 2012 *Protective Order* in WC Docket No. 10-90, *et al.*[1] The *Protective Order* specifically covers information filed pursuant to 47 C.F.R. §54.313(f)(2).

[1] *Connect America Fund et al.*, WC Docket No. 10-90 *et al.*, Protective Order, DA 12-1857 (rel. Nov. 16, 2012).

Lipan Telephone Company is providing to the Office of the Secretary, under seal, this cover letter and the Form 481 filing which includes the confidential information that is being requested to be withheld from public inspection.

Each page of the five-year service quality improvement plan confidential submission bears the legend, "CONFIDENTIAL – NOT FOR PUBLIC DISCLOSURE."

Each page of the financial annual report confidential submission bears the legend, "CONFIDENTIAL FINANCIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION."

Two copies of the Form 481 filing in redacted form and an accompanying cover letter are also being provided with the confidential filing. Each page of the redacted filing and accompanying cover letter is marked "REDACTED – FOR PUBLIC INSPECTION."

Two copies of this cover letter and the Form 481 filing with the confidential information are also being delivered to Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau.

The confidential information has also been submitted to the Universal Service Administrative Company through its E-File system as an attachment to the FCC Form 481.

This cover letter includes no confidential information and the text is the same in both the non-redacted and redacted versions except for the confidentiality markings.

Please contact me if you have any questions.

Sincerely,

LHampton

Lynette Hampton
Authorized Representative for
Lipan Telephone Company

LH/pjf

Enclosures

cc: Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau, Federal Communications Commission, (2 hardcopies of non-redacted submission)

Mr. John Howard, Lipan Telephone Company

FCC Form 481 - Carrier Annual Reporting Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	442105
<015>	Study Area Name	LIPAN TEL CO
<020>	Program Year	2015
<030>	Contact Name: Person USAC should contact with questions about this data	Beth Howard
<035>	Contact Telephone Number: Number of the person identified in data line <030>	2546462211 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	bethh@lipan.net

ANNUAL REPORTING FOR ALL CARRIERS

(check box when complete)

Line	Item	Entry	Instruction	54.313 Completion Required	54.422 Completion Required
<100>	Service Quality Improvement Reporting		*(complete attached worksheet)*	✓	
<200>	Outage Reporting (voice)		*(complete attached worksheet)*	✓	✓
<210>		✓ <-- check box if no outages to report		✓	
<300>	Unfulfilled Service Requests (voice)	0			
<310>	Detail on Attempts (voice)		*(attach descriptive document)*		
<320>	Unfulfilled Service Requests (broadband)	0		✓	
<330>	Detail on Attempts (broadband)		*(attach descriptive document)*		
<400>	Number of Complaints per 1,000 customers (voice)				
<410>	Fixed	0.0		✓	✓
<420>	Mobile	0.0			
<430>	Number of Complaints per 1,000 customers (broadband)			✓	
<440>	Fixed	0.0			
<450>	Mobile	0.0			
<500>	Service Quality Standards & Consumer Protection Rules Compliance		*(check to indicate certification)*	✓	✓
<510>		442105tx510.pdf	*(attached descriptive document)*	✓	✓
<600>	Functionality in Emergency Situations		*(check to indicate certification)*	✓	✓
<610>		442105tx610.pdf	*(attached descriptive document)*	✓	✓
<700>	Company Price Offerings (voice)		*(complete attached worksheet)*	✓	
<710>	Company Price Offerings (broadband)		*(complete attached worksheet)*	✓	
<800>	Operating Companies and Affiliates		*(complete attached worksheet)*	✓	✓
<900>	Tribal Land Offerings (Y/N)?	○ ●	*(if yes, complete attached worksheet)*	✓	
<1000>	Voice Services Rate Comparability		*(check to indicate certification)*	✓	
<1010>		442105tx1010.pdf	*(attach descriptive document)*	✓	
<1100>	Terrestrial Backhaul (Y/N)?	● ○	*(if not, check to indicate certification)*	✓	
<1110>			*(complete attached worksheet)*		
<1200>	Terms and Condition for Lifeline Customers		*(complete attached worksheet)*		✓

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

Line	Instruction	54.313	54.422
<2000>	*(check to indicate certification)*		
<2005>	*(complete attached worksheet)*		

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

Line	Instruction	54.313	54.422
<3000>	*(check to indicate certification)*	✓	
<3005>	*(complete attached worksheet)*	✓	

(100) Service Quality Improvement Reporting
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	442105
<015>	Study Area Name	LIPAN TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Beth Howard
<035>	Contact Telephone Number - Number of person identified in data line <030>	2546462211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bethh@lipan.net

<110> Has your company received its ETC certification from the FCC? (yes / no) ○ ●

<111> If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC? (yes / no) ○ ○

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

442105tx112.pdf

Name of Attached Document

Please check these boxes below to confirm that the attached documents(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113> Maps detailing progress towards meeting plan targets ☐
<114> Report how much universal service (USF) support was received ☐
<115> How (USF) was used to improve service quality ☐
<116> How (USF)was used to improve service coverage ☐
<117> How (USF) was used to improve service capacity ☐
<118> Provide an explanation of network improvement targets not met in the prior calendar year. ☐

(200) Service Outage Reporting (Voice)
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	442105
<015>	Study Area Name	LIPAN TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Beth Howard
<035>	Contact Telephone Number - Number of person identified in data line <030>	2546462211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bethh@lipan.net

<220>

<a> NORS Reference Number	<b1> Outage Start Date	<b2> Outage Start Time	<b3> Outage End Date	<b4> Outage End Time	<c1> Number of Customers Affected	<c2> Total Number of Customers	<d> 911 Facilities Affected (Yes / No)	<e> Service Outage Description (Check all that apply)	<f> Did This Outage Affect Multiple Study Areas (Yes / No)	<g> Service Outage Resolution	<h> Preventative Procedures

(700) Price Offerings including Voice Rate Data
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	442105
<015>	Study Area Name	LIPAN TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Beth Howard
<035>	Contact Telephone Number - Number of person identified in data line <030>	2546462211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bethh@lipan.net

<701>	Residential Local Service Charge Effective Date	1/1/2014
<702>	Single State-wide Residential Local Service Charge	

<703>

<a1> State	<a2> Exchange (ILEC)	<a3> SAC (CETC)	<b1> Rate Type	<b2> Residential Local Service Rate	<b3> State Subscriber Line Charge	<b4> State Universal Service Fee	<b5> Mandatory Extended Area Service Charge	<c> Total per line Rates and Fees

-- See attached worksheet --

(710) Broadband Price Offerings
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	442105
<015>	Study Area Name	LIPAN TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Beth Howard
<035>	Contact Telephone Number - Number of person identified in data line <030>	2546462211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bethh@lipan.net

<711>

<a1> State	<a2> Exchange (ILEC)	<b1> Residential Rate	<b2> State Regulated Fees	<c> Total Rate and Fees	<d1> Broadband Service - Download Speed (Mbps)	<d2> Broadband Service - Upload Speed (Mbps)	<d3> Usage Allowance (GB)	<d4> Usage Allowance Action Taken When Limit Reached {*select* }
			-- See attached worksheet --					

(800) Operating Companies
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	442105
<015>	Study Area Name	LIPAN TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Beth Howard
<035>	Contact Telephone Number - Number of person identified in data line <030>	2546462211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bethh@lipan.net

<810>	Reporting Carrier	Lipan Telephone Company
<811>	Holding Company	
<812>	Operating Company	

<813>

<a1>	<a2>	<a3>
Affiliates	**SAC**	**Doing Business As Company or Brand Designation**

(900) Tribal Lands Reporting
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	442105
<015>	Study Area Name	LIPAN TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Beth Howard
<035>	Contact Telephone Number - Number of person identified in data line <030>	2546462211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bethh@lipan.net

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

		Select (Yes,No, NA)
<921>	Needs assessment and deployment planning with a focus on Tribal community anchor institutions.	
<922>	Feasibility and sustainability planning;	
<923>	Marketing services in a culturally sensitive manner;	
<924>	Compliance with Rights of way processes	
<925>	Compliance with Land Use permitting requirements	
<926>	Compliance with Facilities Siting rules	
<927>	Compliance with Environmental Review processes	
<928>	Compliance with Cultural Preservation review processes	
<929>	Compliance with Tribal Business and Licensing requirements.	

(1100) No Terrestrial Backhaul Reporting
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	442105
<015>	Study Area Name	LIPAN TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Beth Howard
<035>	Contact Telephone Number - Number of person identified in data line <030>	2546462211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bethh@lipan.net

<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G) ☐

<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G) ☐

(1200) Terms and Condition for Lifeline Customers
Lifeline
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	442105
<015>	Study Area Name	LIPAN TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Beth Howard
<035>	Contact Telephone Number - Number of person identified in data line <030>	2546462211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bethh@lipan.net

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

442105tx1210.pdf

Name of Attached Document

<1220> Link to Public Website HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ✓

<1222> Details on the number of minutes provided as part of the plan, ✓

<1223> Additional charges for toll calls, and rates for each such plan. ✓

(2000) Price Cap Carrier Additional Documentation
Data Collection Form
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	442105
<015>	Study Area Name	LIPAN TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Beth Howard
<035>	Contact Telephone Number - Number of person identified in data line <030>	2546462211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bethh@lipan.net

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting
<2010> 2nd Year Certification {47 CFR § 54.313(b)(1)} ☐
<2011> 3rd Year Certification {47 CFR § 54.313(b)(2)} ☐

Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}
<2012> 2013 Frozen Support Certification ☐
<2013> 2014 Frozen Support Certification ☐
<2014> 2015 Frozen Support Certification ☐
<2015> 2016 and future Frozen Support Certification ☐

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}
<2016> Certification Support Used to Build Broadband ☐

Connect America Phase II Reporting {47 CFR § 54.313(e)}
<2017> 3rd year Broadband Service Certification ☐
<2018> 5th year Broadband Service Certification ☐
<2019> Interim Progress Certification ☐

<2020> Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year. ☐

<2021> Interim Progress Community Anchor Institutions

Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation

Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	442105
<015>	Study Area Name	LIPAN TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Beth Howard
<035>	Contact Telephone Number - Number of person identified in data line <030>	2546462211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bethh@lipan.net

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3010) **Progress Report on 5 Year Plan**
Milestone Certification {47 CFR § 54.313(f)(1)(i)}

Name of Attached Document Listing Required Information

(3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year. ☐

(3012) Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}

Name of Attached Document Listing Required Information

(3013) Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)} (Yes/No) ◉ Yes ○ No

(3014) If yes, does your company file the RUS annual report (Yes/No) ◉ Yes ○ No

Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers) ☑

(3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☑

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

442105tx3017.pdf

Name of Attached Document Listing Required Information

(3018) If the response is no on line 3014, Is your company audited? (Yes/No) ○ Yes ○ No

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains

(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications ☐

(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☐

(3021) Management letter issued by the independent certified public accountant that performed the company's financial audit. ☐

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers, ☐

(3023) Underlying information subjected to a review by an independent certified public accountant ☐

(3024) Underlying information subjected to an officer certification. ☐

(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☐

(3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013

<010>	Study Area Code	442105
<015>	Study Area Name	LIPAN TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Beth Howard
<035>	Contact Telephone Number - Number of person identified in data line <030>	2546462211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bethh@lipan.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients

I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.

Name of Reporting Carrier:

Signature of Authorized Officer: Date

Printed name of Authorized Officer:

Title or position of Authorized Officer:

Telephone number of Authorized Officer:

Study Area Code of Reporting Carrier: Filing Due Date for this form:

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013

<010>	Study Area Code	442105
<015>	Study Area Name	LIPAN TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Beth Howard
<035>	Contact Telephone Number - Number of person identified in data line <030>	2546462211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bethh@lipan.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier

I certify that (Name of Agent) Lynette Hampton **is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.**

Name of Authorized Agent: Lynette Hampton
Name of Reporting Carrier: LIPAN TEL CO
Signature of Authorized Officer: CERTIFIED ONLINE Date: 06/26/2014
Printed name of Authorized Officer: Aleta Howard
Title or position of Authorized Officer: Secretary
Telephone number of Authorized Officer: 2546462211 ext.
Study Area Code of Reporting Carrier: 442105 Filing Due Date for this form: 07/01/2014

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier

I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.

Name of Reporting Carrier: LIPAN TEL CO
Name of Authorized Agent or Employee of Agent: Lynette Hampton
Signature of Authorized Agent or Employee of Agent: CERTIFIED ONLINE Date: 06/26/2014
Printed name of Authorized Agent or Employee of Agent: Lynette Hampton
Title or position of Authorized Agent or Employee of Agent Authorized Representative
Telephone number of Authorized Agent or Employee of Agent: 5126527725 ext.
Study Area Code of Reporting Carrier: 442105 Filing Due Date for this form: 07/01/2014

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

Attachments

(700) Price Offerings including Voice Rate Data
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	442105
<015>	Study Area Name	LIPAN TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Beth Howard
<035>	Contact Telephone Number - Number of person identified in data line <030>	2546462211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bethh@lipan.net

<701>	Residential Local Service Charge Effective Date	1/1/2014
<702>	Single State-wide Residential Local Service Charge	

<703>

<a1> State	<a2> Exchange (ILEC)	<a3> SAC (CETC)	<b1> Rate Type	<b2> Residential Local Service Rate	<b3> State Subscriber Line Charge	<b4> State Universal Service Fee	<b5> Mandatory Extended Area Service Charge	<c> Total per line Rates and Fees
TX	BLUFF DALE		FR	14.0	0.0	0.52	0.0	14.52
TX	LIPAN		FR	14.0	0.0	0.52	0.0	14.52

(710) Broadband Price Offerings
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	442105
<015>	Study Area Name	LIPAN TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Beth Howard
<035>	Contact Telephone Number - Number of person identified in data line <030>	2546462211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bethh@lipan.net

<711>

<a1>	<a2>	<b1>	<b2>	<c>	<d1>	<d2>	<d3>	<d4>
State	**Exchange (ILEC)**	**Residential Rate**	**State Regulated Fees**	Total Rates and Fees	**Broadband Service - Download Speed (Mbps)**	Broadband Service -Upload Speed (Mbps)	Usage Allowance (GB)	Usage Allowance Action Taken When Limit Reached {select}
TX	ALL	40.95	0.0	40.95	4.0	1.0	0.0	Other, No limit on usage allowance

LINE 112 – FIVE-YEAR SERVICE QUALITY IMPROVEMENT PLAN

Following is the initial five-year service quality improvement plan for Lipan Telephone Company, Inc. (“Lipan” or “the Company”) pursuant to 47 C.F.R. § 54.202(a)(1)(ii) that requires an eligible telecommunications carrier (ETC) to describe proposed improvements or upgrades to the ETC’s network throughout its service area. The *USF/ICC Transformation Order* establishes a public interest obligation for rate-of-return ETCs to provide broadband service at speeds of at least 4 Mbps downstream and 1 Mbps upstream (4:1) “upon reasonable request.” A service quality improvement plan cannot project where in the service area reasonable requests will be made. However, the proposed service improvements in this plan result in the availability of 4:1 or better service to a greater portion of the Company’s service area than is currently available.

Although this plan is a good faith effort by the Company, it is subject to change, given the uncertainty faced by ETCs regarding whether capital investments will be recoverable over the five year planning horizon. Factors that may affect the capital improvements plan include erosion of the customer base due to competition, alternative technologies, economic conditions in the service area, and unpredictable changes in the universal service support amounts an ETC receives.

Lipan owns and operates two exchanges serving subscribers in north central Texas. The service area includes portions of Erath, Hood, Palo Pinto, and Parker counties. The Company’s service area covers approximately 246 square miles.

Baseline Network Description

[redacted]

Table 1 – Current Broadband Capabilities

Exchange Name	Total Square Miles	Total Existing Access Lines	Estimated Total Population Served	Broadband Capable Lines	Estimated Broadband Capable Population	% Broadband Capable
[redacted]						

2014 – 2019 Service Quality Improvement Plan

Table 2 provides Lipan's intended service quality improvements and associated capital expenditures for 2014 – 2019, by exchange, along with estimates of the population that will be served by the improvements.

Table 2 – Service Quality Improvement Plan

Exchange	Description of Improvement	2014	2015	2016	2017	2018	2019	Estimated Population Served by Improvements

[redacted]

Narrative Description: 2014 – 2015

[redacted]

Bluff Dale

[redacted]

Lipan

[redacted]

System Level

[redacted]

Narrative Description: 2016 – 2019

[redacted]

LINE 510 - SERVICE QUALITY STANDARDS AND CONSUMER PROTECTION RULES COMPLIANCE

Lipan Telephone Company complies with applicable service quality standards and consumer protection rules for its voice and broadband services.

Service quality standards for voice service are established by the state commission. The Company consistently meets or exceeds those standards and provides reports to the state commission, in accordance with the state commission's rules.

The Company complies with any and all consumer protection obligations under state law.

The Company also complies with the following consumer best practices: (1) the Company discloses its rates and terms of service to customers; (2) the Company provides specific disclosures in its advertising; (3) the Company separately identifies carrier charges from taxes on its billing statements; (4) the Company provides ready access to customer service; (5) the Company promptly responds to consumer inquiries and complaints received from government agencies; and (6) the Company abides by policies for protection of consumer privacy.

Finally, the Company has a policy and established operating procedures that comply with the FCC's Customer Proprietary Network Information (CPNI) rules (47 C.F.R. §§64.2001-64.2011). Certification of the Company's compliance with CPNI rules and a description of the Company's operating procedures that ensure compliance are filed annually with the FCC.

LINE 610 - ABILITY TO FUNCTION IN EMERGENCY SITUATIONS

Lipan Telephone Company is able to function in emergency situations for both voice and broadband service. The Company has a reasonable amount of back-up power to ensure functionality without an external power source. Standby power generators are supplied at the central office, remote switch sites, and repeater sites to ensure functionality without an external power source until power is restored. The network is capable of managing traffic spikes resulting from emergency situations.

The Company is able to reroute traffic around damaged facilities. Although the Company's ability to reroute traffic around damaged facilities is not absolute and may be limited in certain circumstances, there is a restoration plan in place for expeditious recovery of service, including splicing of damaged facilities when warranted.

LINE 1010 – VOICE SERVICES RATE COMPARABILITY

The Wireline Competition Bureau's most recent reasonable comparability benchmark for voice services is $46.96, which includes the federal subscriber line charge ("SLC").[1]

In the exchanges served by Lipan Telephone Company the highest single-line residential local rate, including any mandatory extended area service charge, is $14.00. When the federal SLC and the state universal service fee are added, the total is below the reasonable comparability benchmark of $46.96.

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[1] *Wireline Competition Bureau Announces Results of Urban Rate Survey for Voice Services; Seeks Comment on Petition for Extension of Time to Comply With New Rate Floor*, WC Docket No. 10-90, DA 14-384 (rel. Mar. 20, 2014), p. 2.

LINE 1210 – TERMS & CONDITIONS OF VOICE TELEPHONY LIFELINE PLANS

Lipan Telephone Company (the Company) offers Lifeline subscribers federal and state Lifeline discounts to a stand-alone residential local exchange access line rate. The local exchange access line rate includes an unlimited number of local calling minutes. Additional charges for toll calls associated with the residential local exchange service are billed at the rates of the long distance carrier chosen by the subscriber. Lifeline customers may subscribe to packages and custom calling features at the standard rates offered to all customers, in which case the Lifeline discounts will apply to the portion of the package that is for a stand-alone basic local exchange access line. The attached pages from the Company's Local Exchange Tariff include the terms and conditions for Lifeline and the rates for local exchange service.

LOCAL EXCHANGE SERVICE

VII. LIFELINE PROGRAM

The Lifeline Program is a retail local service offering designed to make telephone service available at reduced rates to qualifying low-income customers.

A. General

1. A qualifying low-income customer subscribing to the Lifeline Program shall receive federal and state reductions to their monthly tariffed residential local exchange access line rate. When a Lifeline customer subscribes to a package of services, those same reductions will apply to that portion of the package rate that is for basic network service. In a two-line package, only one line will receive the Lifeline reductions.

2. Nothing in this section shall prohibit a customer who is otherwise eligible for the Lifeline Program from obtaining and using telecommunications equipment and services designed to aid such customer in utilizing qualifying telecommunications services.

3. Lifeline Program reductions do not apply to surcharges, taxes, long distance service, 976 and other information related telecommunications services, and optional services such as custom calling features. Customers may obtain these services, where available, at their discretion.

4. The Lifeline Program rate reductions do not apply to service connection charges.

D

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LOCAL EXCHANGE SERVICE

VII. LIFELINE PROGRAM (Continued)

A. General (Continued)

5. The Company may not disconnect the service of a Lifeline Program customer for the non-payment of toll charges. However, the Company reserves the right to implement toll blocking, at no charge, if the customer incurs a significant balance of unpaid toll bills. The Company will inform the customer, by direct mail, of this change to their service due to the customer's non-payment of toll charges. Upon the customer's payment of all outstanding toll charges, the Company shall remove mandatory toll blocking at no charge. T

6. Upon subscribing to the Lifeline Program, a customer will be offered a subscription, at no charge, to toll blocking service (in exchanges where technically available) which denies the customer access to the long distance telecommunications network; however, the customer is under no obligation to accept the subscription to toll blocking upon initial subscription to the Lifeline Program. T

7. The Lifeline Program rate reductions will not be available on a retroactive basis unless approved by the Public Utility Commission of Texas or the Low-Income Discount Administrator (LIDA). T

B. Designated Lifeline Program Services

The Company shall offer voice telephony services that provide the following functionalities as designated Lifeline Program services: T

1. Voice grade access to the public switched network or its functional equivalent
2. Minutes of use for local service provided at no additional charge to the customer
3. Access to emergency services
4. Toll blocking service

T

LOCAL EXCHANGE SERVICE

VII. LIFELINE PROGRAM (Continued)

C. Eligibility Requirement

1. Qualifying Low-income (Eligible) Customer Criteria

An eligible customer shall be defined as an individual whose annual household income is at or below 150% of the federal poverty guidelines or in whose household resides a person who receives or has a child who receives benefits from at least one of the following programs:

a. Medicaid
b. Food Stamps (Supplemental Nutrition Assistance Program) T
c. Supplemental Security Income (SSI)
d. Federal Public Housing Assistance (FPHA)
e. Low-Income Heat and Energy Assistance Program (LIHEAP)
f. Health benefits coverage under the state Children's Health Insurance Program (CHIP)
g. National School Lunch Program's Free Lunch Program N
h. Temporary Assistance for Needy Families N

The Lifeline Program rate reductions will be provided per eligible customer. The Low-Income Discount Administrator (LIDA) will provide a list of eligible customers to the Company each month.

2. Obligations of the Customer

a. Customers whose annual household income is at or below 150% of the federal poverty guidelines or who participate in FPHA or LIHEAP programs may self-enroll for Lifeline Program benefits by completing an application form and returning it to LIDA. LIDA will send a blank application upon customer request. LIDA can be reached at 1-866-4LITEUP. Current customers receiving benefits under Medicaid, Food Stamps, SSI or CHIP will be subject to the Lifeline Program automatic enrollment procedures as provided by the LIDA unless they provide a written request to the LIDA to be excluded from the Lifeline Program.

b. A customer who is eligible for the Lifeline Program, but does not have telephone service at the time the LIDA provides its eligibility list to the company, shall be responsible for initiating a request for the Lifeline Program from the Company.

LOCAL EXCHANGE SERVICE

VII. LIFELINE PROGRAM (Continued)

C. Eligibility Requirement (Continued)

3. Obligations of the Company

a. LIDA will provide a list of eligible customers to the Company on a monthly basis. Upon receipt of the list, the Company shall begin reduced billing for those customers within 30 days. T

4. Discontinuance of Service

a. Discontinuance of Lifeline Discounts for customers automatically enrolled: The eligibility period for automatically enrolled customers is the length of their enrollment in Texas Health and Human Services Commission (THHSC) benefits plus a period of 60 days for renewal. Automatically enrolled customers will have an opportunity to renew their THHSC benefits or self-enrollment with LIDA upon the expiration of their automatic enrollment.

b. Discontinuance of Lifeline Discounts for customers who have self-enrolled: Individuals not receiving benefits through THHSC programs, but who have met Lifeline income qualifications, are eligible to receive the Lifeline Discount for seven months, which includes a period of 60 days during which the customer may renew their eligibility with LIDA for an additional seven months.

PUBLIC UTILITY COMMISSION OF TEXAS
APPROVED

NOV - 2 '07 DOCKET 34846

CONTROL # ____________

LOCAL EXCHANGE SERVICE

VII. LIFELINE PROGRAM (Continued)

D. Deposit and Credit Requirements

1. The Company shall be prohibited from charging a service deposit in order to initiate the Lifeline Program if the eligible customer voluntarily elects to receive toll blocking.

2. The Company may charge a service deposit if the eligible customer denies subscription to toll blocking upon subscribing to the Lifeline Program.

3. In instances where the Company may require a service deposit, the same credit verification procedures and deposit regulations used for all applicants who apply for service with the Company are also applicable to eligible customers for the Lifeline Program.

E. Service Connection Charges

1. Service connection charges do not apply to eligible customers with existing qualifying service converting to the Lifeline Program.

2. Service connection charges do apply when:

   a. Existing eligible customers request additional non-qualifying services at the time Lifeline Program reduced billing is initiated.

   b. New customers (those without existing local exchange access service) eligible for the Lifeline Program establish service.

   c. Customers make subsequent moves or changes after initial connection to the Lifeline Program.

D
|
D

LOCAL EXCHANGE SERVICE

VII. LIFELINE PROGRAM (Continued)

F. Lifeline Program Rate Reduction

1. Implementation

The Company shall provide reduced billing for all Lifeline Program eligible customers within its service area in accordance with the Commission's Substantive Rules.

In instances where a customer inquires about participation in the Lifeline Program, the Company shall provide contact information for LIDA

By: John Howard
Title: Manager

LOCAL EXCHANGE SERVICE

VII. LIFELINE PROGRAM (Continued)

F. Lifeline Program Rate Reduction (Continued)

2. Amounts

The Company shall apply Lifeline Program rate reductions, per eligible customer, as described below.

D
D

		Monthly Rate Reduction	
a.	Federal Reduction applied to Federal Subscriber Line Charge and Residential Local Exchange Access Line Charge	47.C.F.R Section 54.403	T
b.	Maximum State Reduction to Residential Local Exchange Access Line Rate	$3.50	T

LOCAL EXCHANGE SERVICE

IV. LOCAL EXCHANGE SERVICE RATES AND CHARGES (1)

A. Residence Monthly Local Exchange Access Line Rates (2) (3)

Exchange	Single Line Monthly Rate	
Lipan	$14.00	I
Bluff Dale	$14.00	I

B. Business Monthly Local Exchange Access Line Rates (2) (3)

Exchange	Single Line Monthly Rate	PBX Trunk Monthly Rate
Lipan	$15.20	$21.63
Bluff Dale	$15.20	$21.63

(1) Applicable Service Charges are set forth in Section 2.

(2) Rates for Access Line Service do not include a charge for an instrument or other customer premises equipment.

(3) Rates include Tone dialing Service effective June 1, 2012.

PUBLIC UTILITY COMMISSION OF TEXAS
APPROVED
JUN 1 '13 DOCKET 41394
CONTROL #

By: John Howard
Title: Manager

Effective: June 1, 2013

REDACTED - FOR PUBLIC INSPECTION

Curtis Blakely & Co., PC
Certified Public Accountants & Consultants

March 28, 2014

Mr. John Howard, President
Lipan Telephone Co., Inc.
P. O. Box 187
Lipan, TX 76462-0187

Dear John:

Enclosed is the 2013 Unaudited Operating Report for Telecommunications Borrowers you submitted to the RUS. Also enclosed is our compilation letter for the financial statements used to prepare this report.

Please let us know if you have any questions.

Sincerely,

CURTIS BLAKELY & CO., P.C.

Blake Lackey

Blake Lackey, CPA

BL/na
Enclosures

F:\2013\CBANDCO\Form 479\Lipan 479 Unaudited Cover.doc

P.O. Box 5486 ♦ Longview, Texas 75608 ♦ 903.758.0734 ♦ Fax: 903.758.0756 ♦ www.cbandco.com
2403 Judson Road ♦ Longview, Texas 75605

Curtis Blakely & Co., PC
Certified Public Accountants & Consultants

March 28, 2014

To the Board of Directors
Lipan Telephone Co., Inc.
Lipan, Texas

Gentlemen:

We have compiled the accompanying balance sheet of Lipan Telephone Co., Inc. as of December 31, 2013, and the related statements of income, cash flows and retained earnings for the year then ended, included in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Rural Utilities Service (RUS) information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the RUS, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

Curtis Blakely + Co, P.C.

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P.O. Box 5486 ♦ Longview, Texas 75608 ♦ 903.758.0734 ♦ Fax: 903.758.0756 ♦ www.cbandco.com
2403 Judson Road ♦ Longview, Texas 75605

USDA-RUS	*This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.*	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER NAME Lipan Telephone Co., Inc. wn — (Prepared with Audited Data)	
INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. *For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.*	PERIOD ENDING December, 2013	BORROWER DESIGNATION TX0638

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII
(Check one of the following)

[X] All of the obligations under the RUS loan documents have been fulfilled in all material respects.

[ ] There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

Aleta Howard — 3/25/2014
DATE

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS	[redacted]	[redacted]	**CURRENT LIABILITIES**	[redacted]	[redacted]
1. Cash and Equivalents	[redacted]	[redacted]	25. Accounts Payable	[redacted]	[redacted]
2. Cash-RUS Construction Fund	[redacted]	[redacted]	26. Notes Payable	[redacted]	[redacted]
3. Affiliates:	[redacted]	[redacted]	27. Advance Billings and Payments	[redacted]	[redacted]
a. Telecom, Accounts Receivable	[redacted]	[redacted]	28. Customer Deposits	[redacted]	[redacted]
b. Other Accounts Receivable	[redacted]	[redacted]	29. Current Mat. L/T Debt	[redacted]	[redacted]
c. Notes Receivable	[redacted]	[redacted]	30. Current Mat. L/T Debt-Rur. Dev.	[redacted]	[redacted]
4. Non-Affiliates:	[redacted]	[redacted]	31. Current Mat.-Capital Leases	[redacted]	[redacted]
a. Telecom, Accounts Receivable	[redacted]	[redacted]	32. Income Taxes Accrued	[redacted]	[redacted]
b. Other Accounts Receivable	[redacted]	[redacted]	33. Other Taxes Accrued	[redacted]	[redacted]
c. Notes Receivable	[redacted]	[redacted]	34. Other Current Liabilities	[redacted]	[redacted]
5. Interest and Dividends Receivable	[redacted]	[redacted]	**35. Total Current Liabilities (25 thru 34)**	[redacted]	[redacted]
6. Material-Regulated	[redacted]	[redacted]	**LONG-TERM DEBT**	[redacted]	[redacted]
7. Material-Nonregulated	[redacted]	[redacted]	36. Funded Debt-RUS Notes	[redacted]	[redacted]
8. Prepayments	[redacted]	[redacted]	37. Funded Debt-RTB Notes	[redacted]	[redacted]
9. Other Current Assets	[redacted]	[redacted]	38. Funded Debt-FFB Notes	[redacted]	[redacted]
10. Total Current Assets (1 Thru 9)	[redacted]	[redacted]	39. Funded Debt-Other	[redacted]	[redacted]
NONCURRENT ASSETS	[redacted]	[redacted]	40. Funded Debt-Rural Develop. Loan	[redacted]	[redacted]
11. Investment in Affiliated Companies	[redacted]	[redacted]	41. Premium (Discount) on L/T Debt	[redacted]	[redacted]
a. Rural Development	[redacted]	[redacted]	42. Reacquired Debt	[redacted]	[redacted]
b. Nonrural Development	[redacted]	[redacted]	43. Obligations Under Capital Lease	[redacted]	[redacted]
12. Other Investments	[redacted]	[redacted]	44. Adv. From Affiliated Companies	[redacted]	[redacted]
a. Rural Development	[redacted]	[redacted]	45. Other Long-Term Debt	[redacted]	[redacted]
b. Nonrural Development	[redacted]	[redacted]	**46. Total Long-Term Debt (36 thru 45)**	[redacted]	[redacted]
13. Nonregulated Investments	[redacted]	[redacted]	**OTHER LIAB. & DEF. CREDITS**	[redacted]	[redacted]
14. Other Noncurrent Assets	[redacted]	[redacted]	47. Other Long-Term Liabilities	[redacted]	[redacted]
15. Deferred Charges	[redacted]	[redacted]	48. Other Deferred Credits	[redacted]	[redacted]
16. Jurisdictional Differences	[redacted]	[redacted]	49. Other Jurisdictional Differences	[redacted]	[redacted]
17. Total Noncurrent Assets (11 thru 16)	[redacted]	[redacted]	50. Total Other Liabilities and Deferred Credits (47 thru 49)	[redacted]	[redacted]
PLANT, PROPERTY, AND EQUIPMENT	[redacted]	[redacted]	**EQUITY**	[redacted]	[redacted]
18. Telecom, Plant-in-Service	[redacted]	[redacted]	51. Cap. Stock Outstand. & Subscribed	[redacted]	[redacted]
19. Property Held for Future Use	[redacted]	[redacted]	52. Additional Paid-in-Capital	[redacted]	[redacted]
20. Plant Under Construction	[redacted]	[redacted]	53. Treasury Stock	[redacted]	[redacted]
21. Plant Adj., Nonop. Plant & Goodwill	[redacted]	[redacted]	54. Membership and Cap. Certificates	[redacted]	[redacted]
22. Less Accumulated Depreciation	[redacted]	[redacted]	55. Other Capital	[redacted]	[redacted]
23. Net Plant (18 thru 21 less 22)	[redacted]	[redacted]	56. Patronage Capital Credits	[redacted]	[redacted]
24. TOTAL ASSETS (10+17+23)	[redacted]	[redacted]	57. Retained Earnings or Margins	[redacted]	[redacted]
	[redacted]	[redacted]	**58. Total Equity (51 thru 57)**	[redacted]	[redacted]
	[redacted]	[redacted]	**59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)**	[redacted]	[redacted]

[redacted]

USDA-RUS **OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS**	BORROWER DESIGNATION TX0638
INSTRUCTIONS- See RUS Bulletin 1744-2	PERIOD ENDING December, 2013

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	[redacted]	
2. Network Access Services Revenues		
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues		
6. Uncollectible Revenues		
7. Net Operating Revenues (1 thru 5 less 6)		
8. Plant Specific Operations Expense		
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		
10. Depreciation Expense		
11. Amortization Expense		
12. Customer Operations Expense		
13. Corporate Operations Expense		
14. Total Operating Expenses (8 thru 13)		
15. Operating Income or Margins (7 less 14)		
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes		
20. Total Operating Taxes (17+18+19)		
21. Net Operating Income or Margins (15+16-20)		
22. Interest on Funded Debt		
23. Interest Expense - Capital Leases		
24. Other Interest Expense		
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)		
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income		
31. Total Net Income or Margins (21+27+28+29+30-26)		
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year		
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]		
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)		
44. Annual Debt Service Payments		
45. Cash Ratio [(14+20-10-11) / 7]		
46. Operating Accrual Ratio [(14+20+26) / 7]		
47. TIER [(31+26) / 26]		
48. DSCR [(31+26+10+11) / 44]		

REDACTED - FOR PUBLIC INSPECTION

USDA-RUS **OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS** *INSTRUCTIONS - See RUS Bulletin 1744-2*	BORROWER DESIGNATION TX0638 PERIOD ENDED December, 2013

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
EXCHANGE	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Lipan	[redacted]						
Bluff Dale							
MobileWireless							
Route Mileage Outside Exchange Area							
Total							
No. Exchanges							

REDACTED - FOR PUBLIC INSPECTION

USDA-RUS **OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS** INSTRUCTIONS - See RUS Bulletin 1744-2	BORROWER DESIGNATION TX0638 PERIOD ENDED December, 2013

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

4. BROADBAND SERVICE

			Details on Least Expensive Broadband Service					
EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Lipan	[redacted]							
Bluff Dale								
Total								

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PART D. SYSTEM DATA

1. No. Plant Employees	[redacted]	2. No. Other Employees	[redacted]	3. Square Miles Served	[redacted]	4. Access Lines per Square Mile	[redacted]	5. Subscribers per Route Mile	[redacted]

PART E. TOLL DATA

1. Study Area ID Code(s)	2. Types of Toll Settlements (Check one)		
a. 442105	Interstate:	[ ] Average Schedule	[X] Cost Basis
b.			
c.	Intrastate:	[ ] Average Schedule	[X] Cost Basis
d.			
e.			
f.			
g.			
h.			
i.			
j.			

PART F. FUNDS INVESTED IN PLANT DURING YEAR

1. RUS, RTB, & FFB Loan Funds Expended	[redacted]
2. Other Long-Term Loan Funds Expended	
3. Funds Expended Under RUS Interim Approval	
4. Other Short-Term Loan Funds Expended	
5. General Funds Expended (Other than Interim)	
6. Salvaged Materials	
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	

PART G. INVESTMENTS IN AFFILIATED COMPANIES

INVESTMENTS (a)	CURRENT YEAR DATA Investment This Year (b)	Income/Loss This Year (c)	CUMULATIVE DATA Cumulative Investment To Date (d)	Cumulative Income/Loss To Date (e)	Current Balance (f)
1. Investment in Affiliated Companies - Rural Development	[redacted]				
2. Investment in Affiliated Companies - Nonrural Development					

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PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one) [X] YES [ ] NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	[redacted]
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	
5. Land and support assets - Buildings	
6. Land and support assets - Furniture and Office equipment	
7. Land and support assets - General purpose computers	
8. Central Office Switching - Digital	
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	
19. Cable and wire facilities - Aerial cable - Metal	
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	
22. Cable and wire facilities - Underground cable - Fiber	
23. Cable and wire facilities - Buried cable - Metal	
24. Cable and wire facilities - Buried cable - Fiber	
25. Cable and wire facilities - Conduit systems	
26. Cable and wire facilities - Other	

REDACTED - FOR PUBLIC INSPECTION

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	PART I – STATEMENT OF CASH FLOWS	
1.	**Beginning Cash (Cash and Equivalents plus RUS Construction Fund)**	[redacted]
	CASH FLOWS FROM OPERATING ACTIVITIES	
2.	**Net Income**	
	Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
3.	Add: Depreciation	
4.	Add: Amortization	
5.	Other (Explain)	
	Changes in Operating Assets and Liabilities	
6.	Decrease/(Increase) in Accounts Receivable	
7.	Decrease/(Increase) in Materials and Inventory	
8.	Decrease/(Increase) in Prepayments and Deferred Charges	
9.	Decrease/(Increase) in Other Current Assets	
10.	Increase/(Decrease) in Accounts Payable	
11.	Increase/(Decrease) in Advance Billings & Payments	
12.	Increase/(Decrease) in Other Current Liabilities	
13.	**Net Cash Provided/(Used) by Operations**	
	CASH FLOWS FROM FINANCING ACTIVITIES	
14.	Decrease/(Increase) in Notes Receivable	
15.	Increase/(Decrease) in Notes Payable	
16.	Increase/(Decrease) in Customer Deposits	
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits	
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	
20.	Less: Payment of Dividends	
21.	Less: Patronage Capital Credits Retired	
22.	Other (Explain)	
23.	**Net Cash Provided/(Used) by Financing Activities**	
	CASH FLOWS FROM INVESTING ACTIVITIES	
24.	Net Capital Expenditures (Property, Plant & Equipment)	
25.	Other Long-Term Investments	
26.	Other Noncurrent Assets & Jurisdictional Differences	
27.	Other (Explain) [redacted]	
28.	**Net Cash Provided/(Used) by Investing Activities**	
29.	**Net Increase/(Decrease) in Cash**	
30.	**Ending Cash**	

Revision Date 2010

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NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

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